

**ADOPTED**

Senator Brass of the 6th offered the following amendment #3:

1 *Amend the substitute to SB 33 (LC 44 3560S) by deleting lines 1 through the end and*  
2 *inserting in lieu thereof the following:*

3 To amend Titles 20, 21, 36, and 48 of the Official Code of Georgia Annotated, relating to  
4 education, elections, local government, and revenue and taxation, respectively, so as to  
5 provide for property tax reform; to provide for distribution and use of special district option  
6 sales and use tax proceeds (FLOST); to establish a Local Homestead Option Sales Tax  
7 (LHOST); to provide for imposition, collection, and distribution of proceeds; to provide for  
8 definitions; to exclude amounts attributable to certain exemptions from ad valorem taxation  
9 from the equalized adjusted school property tax digest for the purpose of calculating the local  
10 five mill share and equalization grants; to increase the cap on reserve funds for local school  
11 systems; to limit the dates of a special election presenting a question by a local government  
12 to increase revenues; to make the state-wide base year homestead exemption mandatory for  
13 all political subdivisions; to revise definitions, limits, and procedures related to the state-wide  
14 base year homestead exemption; to require municipal and school officials to submit certain  
15 information relating to ad valorem taxes; to prohibit the retroactive assessment of additional  
16 ad valorem taxes to a taxpayer due to an improperly or mistakenly applied homestead  
17 exemption at no fault of the taxpayer; to make conforming changes; to provide for related  
18 matters; to provide for short titles; to provide an effective date; to repeal conflicting laws;  
19 and for other purposes.

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

21

**PART I**

22

**SECTION 1-1.**

23 This Act shall be known and may be cited as the "Homeownership Opportunity and Market  
24 Equalization Act of 2026."

25

**PART II**

26

**SECTION 2-1.**

27 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use tax,  
28 is amended in Code Section 48-8-6, relating to prohibition of political subdivisions from  
29 imposing various taxes, ceiling on local sales and use taxes, and taxation of mobile  
30 telecommunications, by revising subparagraph (a)(1)(C) as follows:

31 "(C) Up to 1 percent in aggregate of any sales and use taxes authorized under Code  
32 Section 48-8-96, Code Section 48-8-97, Article 2B of this chapter, Article 2C of this  
33 chapter, Part 3 of Article 3 of this chapter, and Article 4 of this chapter."

34

**SECTION 2-2.**

35 Said chapter is further amended by revising subsection (a) of Code Section 48-8-109.42,  
36 relating to use of tax proceeds, property tax relief requirements, and noncompliance, as  
37 follows:

38 "(a) Any proceeds received by a political subdivision from the tax authorized by this article  
39 shall be used by such political subdivision exclusively for tax relief and in conjunction with  
40 all limitations provided in the intergovernmental agreement authorizing the tax for such  
41 political subdivision as follows:

42 (1) With respect to the proceeds of the tax received by a political subdivision prior to  
43 July 1 of a given calendar year in which the tax is imposed under this article for such

44 political subdivision, the governing authority of such political subdivision shall apply  
 45 such proceeds to reduce ad valorem property taxes for such year; and  
 46 (2) With respect to the proceeds of the tax received by a political subdivision on or after  
 47 July 1 of a given calendar year in which the tax is imposed under this article for such  
 48 political subdivision, the governing authority of such political subdivision shall apply  
 49 such proceeds to reduce ad valorem property taxes for the subsequent year."

50 **SECTION 2-3.**

51 Said chapter is further amended by adding a new article to read as follows:

52 "ARTICLE 2C

53 48-8-109.50.

54 (a) This article shall be known and may be cited as the 'Local Homestead Option Sales  
 55 Tax' (LHOST).

56 (b) As used in this article, the term:

57 (1) 'Eligible local government' means any county, consolidated government, or  
 58 municipality for which a homestead exemption is in effect by local Act in accordance  
 59 with Code Section 48-8-109.52 and whose governing authority levied and derived  
 60 revenue from an ad valorem tax on homestead property within the special district at a net  
 61 millage rate of greater than zero in the tax year preceding the effective date of such local  
 62 Act. Such term excludes any local government that levies the tax authorized under  
 63 Article 4 of this chapter.

64 (2) 'Homestead property' means homestead as defined and qualified in Code  
 65 Section 48-5-40, with the additional limitation that such term shall include:

66 (A) Only the primary residence and not more than five contiguous acres of land  
 67 immediately surrounding such residence; or

68 (B) If the property is assessed pursuant to Code Section 48-5-7.4 or 48-5-7.7, only the  
69 primary residence and the portion of the underlying property that is excluded from the  
70 benefit of such assessment pursuant to subparagraph (a)(1)(B) of Code Section 48-5-7.4  
71 or subparagraph (b)(2)(B) of Code Section 48-5-7.7.

72 (3) 'Local Homestead Option Sales Tax' or 'LHOST' means any special sales and use tax  
73 levied under this article to fund homestead exemptions granted by local Act for eligible  
74 local governments in accordance with this article.

75 48-8-109.51.

76 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the  
77 Constitution of this state, there are created within this state 159 special districts. The  
78 geographical boundary of each county shall correspond with and shall be conterminous  
79 with the geographical boundary of one of the 159 special districts.

80 (b) The territory of each special district shall include all of the territory within the county,  
81 including all municipalities, to the extent the municipal boundaries lie within the  
82 geographical boundaries of the county.

83 (c) The territory of each special district shall exclude any territory within which the tax  
84 provided for in Article 4 of this chapter is levied.

85 48-8-109.52.

86 (a) Subject to the requirements of this article and the sales tax rate limitations imposed by  
87 Code Section 48-8-6, beginning January 1, 2028, there shall be imposed within any special  
88 district a special sales and use tax to be levied and collected to fund homestead exemptions  
89 from ad valorem taxes imposed by eligible local governments on homestead property  
90 within the special district. Any such tax shall be known as an 'LHOST.'

91 (b) An LHOST shall begin to be levied and collected in a given special district on the first  
92 day of the next succeeding calendar quarter which begins more than 50 days after

93 certification of the result of the election approving the local Act granting a homestead  
94 exemption in accordance with this article and applicable to the county or consolidated  
95 government that is conterminous with the special district.

96 (c) Each local Act enacted pursuant to this article shall:

97 (1) Be adopted and approved by local referendum in accordance with Article VII,  
98 Section II, Paragraph II(a)(2) of the Constitution;

99 (2) Incorporate, by reference to this article, the terms and conditions specified under this  
100 article;

101 (3) Exempt homestead property within the special district from all ad valorem taxes  
102 imposed by the governing authority of the local government for all purposes in an amount  
103 to be determined annually based upon the net proceeds of the sales and use tax collected  
104 under this article within the special district;

105 (4) Provide that such homestead exemption shall be allowed in addition to and not in lieu  
106 of any other homestead exemption applicable to the homestead property;

107 (5) Provide that such homestead exemption shall become effective on January 1 of the  
108 year subsequent to the approval of the local Act in the requisite referendum;

109 (6) Include only those portions of real property located within the applicable special  
110 district established pursuant to this article; and

111 (7) Provide that the homestead exemption shall not apply to or affect any ad valorem  
112 taxes other than those levied by the governing authority of the local government to which  
113 the local Act applies.

114 48-8-109.53.

115 (a) When the imposition of a local sales and use tax is authorized according to the  
116 procedures provided in this article within a special district, the county whose geographical  
117 boundary is conterminous with that of the special district shall levy a local sales and use  
118 tax at the rate of 1 percent.

119 (b) Except as otherwise provided in this article, the LHOST shall correspond to the tax  
120 imposed by Article 1 of this chapter, and no item or transaction which is not subject to  
121 taxation under Article 1 of this chapter shall be subject to a tax imposed under this article;  
122 provided, however, that a tax imposed under this article shall apply to sales of motor fuels  
123 as prepaid local tax as defined in Code Section 48-8-2 and shall be applicable to the sale  
124 of food and food ingredients and alcoholic beverages as provided for in Code  
125 Section 48-8-3. The levy of such tax upon sales of motor fuels as defined in Code  
126 Section 48-9-2 shall only be imposed on the retail sales price of the motor fuel which is not  
127 more than \$3.00 per gallon.

128 (c) With respect to services that are regularly billed on a monthly basis, an LHOST shall  
129 apply to the first regular billing period coinciding with or following the effective date of  
130 the LHOST.

131 48-8-109.54.

132 (a) The tax shall cease to be imposed on the final day of the maximum period of time,  
133 which shall not exceed ten years, as specified in the local Act granting the homestead  
134 exemption for the county or consolidated government.

135 (b) The tax may be renewed for any special district in the same manner and under the same  
136 conditions as for an initial imposition of the tax. Such newly authorized tax shall not be  
137 imposed until the expiration of the tax then in effect.

138 48-8-109.55.

139 (a) Each LHOST shall be exclusively administered and collected by the commissioner for  
140 the use and benefit of the special district imposing the tax. Such administration and  
141 collection shall be accomplished in the same manner and subject to the same applicable  
142 provisions, procedures, and penalties provided in Article 1 of this chapter except that the  
143 LHOST shall be applicable to sales of motor fuels as prepaid local tax as defined in Code

144 Section 48-8-2; provided, however, that all moneys collected from each taxpayer by the  
145 commissioner shall be applied first to such taxpayer's liability for taxes owed the state; and  
146 provided, further, that the commissioner may rely upon a representation by or on behalf of  
147 the county government or the Secretary of State that such a tax has been validly imposed,  
148 and the commissioner and the commissioner's agents shall not be liable to any person for  
149 collecting any such tax which was not validly imposed.

150 (b) Dealers, as defined in Code Section 48-8-2, shall be allowed a percentage of the  
151 amount of the tax due and accounted for and shall be reimbursed in the form of a deduction  
152 in submitting, reporting, and paying the amount due if such amount is not delinquent at the  
153 time of payment. Such dealer deduction shall be at the rate and subject to the requirements  
154 specified under subsections (b) through (f) of Code Section 48-8-50.

155 (c) Each sales and use tax return remitting sales and use taxes collected under this article  
156 shall separately identify the location of each retail establishment at which any of the sales  
157 and use taxes remitted were collected and shall specify the amount of sales and the amount  
158 of taxes collected at each establishment for the period covered by the return to facilitate the  
159 determination by the commissioner that all sales and use taxes imposed by this article are  
160 collected and distributed according to situs of sale.

161 48-8-109.56.

162 (a) The proceeds of the tax collected by the commissioner under this article shall be  
163 disbursed as soon as practicable after collection directly to the county whose boundary is  
164 conterminous with the boundary of the special district to be held in trust for the special  
165 district in an interest-bearing account and distributed thereafter by such county among the  
166 eligible local governments within the special district in accordance with the provisions of  
167 Code Section 48-8-109.57 and Code Section 48-8-109.58.

168 (b) No funds other than the annual LHOST proceeds, and interest accrued thereon, shall  
169 be placed in such accounts. The funds within such accounts shall not be commingled with  
170 any other funds of the county.

171 48-8-109.57.

172 (a) Following the adoption of millage rates each year by all eligible local governments and  
173 prior to the printing of ad valorem tax bills, the county tax commissioner shall calculate the  
174 amount of the assessed value to be exempted for homestead property within the special  
175 district for which any local Acts are in effect under this article. The amount of the assessed  
176 value of each homestead property that shall be exempted shall be calculated each tax year  
177 based on the total value of all homestead property of the special district, the net millage  
178 rates adopted by each eligible local government for such tax year, and the net proceeds of  
179 the LHOST which are available in the trust account as of August 1 of such year.

180 (b) For an LHOST imposed within a special district which has a single eligible local  
181 government, the county tax commissioner shall calculate the maximum amount of assessed  
182 value of homestead property which may be exempted from all ad valorem taxes imposed  
183 by such single eligible local government on homestead property within the special district,  
184 which calculation shall be based upon the proceeds of the LHOST available in the trust  
185 account as of August 1 of such year, the total assessed value of all homestead property in  
186 the special district, and the net millage rates imposed by such single eligible local  
187 government on such homestead property.

188 (c) For an LHOST imposed within a special district which has one or more eligible local  
189 governments, following the adoption of millage rates each year by all such eligible local  
190 governments, but not later than September 2, the county tax commissioner shall calculate  
191 the single, maximum amount of assessed value which may be exempted throughout the  
192 special district for all homestead property from all applicable ad valorem taxes imposed by  
193 the eligible local governments within the special district, which calculation shall be based

194 upon the proceeds of the LHOST available in the trust account as of August 1 of such year,  
195 the total assessed value of all homestead property in the special district, and the net millage  
196 rates imposed by each such eligible local government on the homestead property within its  
197 territory within the special district.

198 (d) In the event that the proceeds collected for a special district exceed the amount  
199 necessary to exempt all homestead property from all ad valorem taxes imposed by all  
200 eligible local governments on homestead property within the special district, the excess  
201 proceeds shall be calculated by the county tax commissioner and applied in a manner to  
202 reduce the net millage rates in effect on property within the special district by an equal  
203 percentage across all eligible local governments in the special district for such tax year.

204 (e) For the purposes of subsection (c) of this Code section, in the event an eligible local  
205 government fails to submit its adopted millage rates by September 1, the county tax  
206 commissioner shall use 90 percent of such eligible local government's prior year's net  
207 millage rates applicable to homestead property in the special district in the calculation  
208 under this Code section and the county shall only disburse, under Code  
209 Section 48-8-109.58, the lesser of such amount and the net millage rate actually levied by  
210 such eligible local government in the current year.

211 48-8-109.58.

212 (a) Prior to mailing ad valorem tax bills for homestead property, the tax collector for each  
213 eligible local government shall apply the homestead exemption calculated by the county  
214 tax commissioner under subsection (b) or (c) of Code Section 48-8-109.57 to each ad  
215 valorem property tax bill for homestead property. Each ad valorem tax bill for homestead  
216 property shall reflect the taxpayer's gross ad valorem tax savings which resulted from the  
217 LHOST homestead exemption.

218 (b) In the event of excess proceeds described in subsection (d) of Code  
219 Section 48-8-109.57, prior to mailing ad valorem tax bills, the tax collector for each

220 eligible local government shall apply the reduction calculated under subsection (d) of Code  
221 Section 48-8-109.57 to each ad valorem property tax bill. If applicable, each ad valorem  
222 tax bill shall reflect the taxpayer's gross ad valorem tax savings which resulted from such  
223 LHOST millage rate reduction.

224 (c) Within 30 days of an eligible local government's mailing of its ad valorem tax bill for  
225 a given tax year, the county shall disburse LHOST funds from the trust account to each  
226 eligible local government in the amount of ad valorem property tax revenue that the given  
227 eligible local government did not collect due to the amount of the homestead exemption  
228 determined under Code Section 48-8-109.57, applied pursuant to subsection (a) of this  
229 Code section, and as granted through the local Act required under this article and, if  
230 applicable, the county shall also disburse the amount of revenue foregone due to the  
231 reduction of the eligible local government's millage rates provided for in subsection (d) of  
232 Code Section 48-8-109.57 and subsection (b) of this Code section.

233 (d) No disbursement shall be made to any governing authority until such governing  
234 authority has mailed ad valorem tax bills for a given year.

235 48-8-109.59.

236 Where a local sales and use tax has been paid with respect to tangible personal property by  
237 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction  
238 outside the state, the tax may be credited against the tax authorized to be imposed by this  
239 article upon the same property. If the amount of sales and use tax so paid is less than the  
240 amount of such tax due under this article, the purchaser shall pay an amount equal to the  
241 difference between the amount paid in the other tax jurisdiction and the amount due under  
242 this article. The commissioner may require such proof of payment in another local tax  
243 jurisdiction as the commissioner deems necessary and proper. No credit shall be granted,  
244 however, against the tax imposed under this article for tax paid in another jurisdiction if the  
245 tax paid in such other jurisdiction is used to obtain a credit against any other local sales and

246 use tax levied in the special district or any other political subdivision within the special  
247 district; and taxes so paid in another jurisdiction shall be credited against the tax levied  
248 under Article 2 of this chapter, if applicable, then against the tax levied under Part 1 of  
249 Article 3 of this chapter, if applicable, then against the tax levied under Part 2 of Article 3  
250 of this chapter, if applicable, and then against the tax levied under this article.

251 48-8-109.60.

252 No tax provided for in this article shall be imposed upon the sale of tangible personal  
253 property which is ordered by and delivered to the purchaser at a point outside the  
254 geographical area of the special district in which the tax is imposed regardless of the point  
255 at which title passes, if the delivery is made by the seller's vehicle, and including United  
256 States mail or common carrier or by a private or contract carrier licensed by the Federal  
257 Motor Carrier Safety Administration or the Georgia Department of Public Safety.

258 48-8-109.61.

259 No tax provided for in this article shall be imposed upon the sale or use of buildings and  
260 construction materials when the contract for which the materials are purchased or used was  
261 advertised for bid prior to the local referendum held for the local Act required to initiate  
262 the levy of the tax and the contract was entered into as a result of a bid actually submitted  
263 in response to the advertisement prior to approval of such local Act.

264 48-8-109.62.

265 The commissioner shall have the power and authority to promulgate such rules and  
266 regulations as shall be necessary for the effective and efficient administration and  
267 enforcement of the collection of the tax authorized by this article.

268 48-8-109.63.

269 Except as otherwise provided in this article or Code Section 48-8-6, the tax authorized by  
 270 this article shall be in addition to any other local sales and use tax. The imposition of any  
 271 other local sales and use tax within a county, municipality, or special district shall not  
 272 affect the authority of a county, municipality, or special district to impose the tax  
 273 authorized by this article and the imposition of the tax authorized by this article shall not  
 274 affect the imposition of any otherwise authorized local sales and use tax within a county,  
 275 municipality, or special district."

276

### PART III

277

#### SECTION 3-1.

278 Part 4 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,  
 279 relating to financing under the "Quality Basic Education Act," is amended in Code  
 280 Section 20-2-164, relating to local five mill share funds, by revising subsection (g) as  
 281 follows:

282 "(g) For purposes of calculation under this Code section and Code Section 20-2-165, the  
 283 equalized adjusted school property tax digest, adjusted by paragraph (1) of subsection (a)  
 284 of this Code section, shall be reduced by the sum of the following products:

285 (1) The product of the number of constitutional homestead exemptions for owner  
 286 occupied homes pursuant to Code Section 48-5-44 granted for that year, exclusive of  
 287 those homestead exemptions provided pursuant to Code Sections 48-5-47, 48-5-48, and  
 288 48-5-52, multiplied by the amount per exemption authorized under Code Section 48-5-44;  
 289 provided, further, that, in any city operating an independent school system which  
 290 provides a homestead exemption through local legislation comparable to that provided  
 291 in Code Section 48-5-44, the product calculated in this paragraph shall represent the  
 292 number of homestead exemptions provided through the applicable local legislation

293 multiplied by the amount per exemption authorized in Code Section 48-5-44, or by the  
294 amount per exemption authorized in the applicable local legislation, whichever is less;  
295 and provided, further, that, if the amount per exemption authorized in Code  
296 Section 48-5-44 has been changed subsequent to the year of the applicable digest, the  
297 more recently adopted amount per exemption shall be used for the product calculated in  
298 this paragraph;

299 (2) The product of the number of constitutional homestead exemptions for disabled  
300 veterans pursuant to Code Section 48-5-48 granted for that year, multiplied by the amount  
301 per exemption authorized under that Code section; provided, further, that, in any city  
302 operating an independent school system which provides a homestead exemption through  
303 local legislation comparable to that provided in Code Section 48-5-48, the product  
304 calculated in this paragraph shall represent the number of homestead exemptions  
305 provided through the applicable local legislation multiplied by the amount per exemption  
306 authorized in the applicable local legislation, whichever is less; and provided, further,  
307 that, if the amount per exemption authorized in Code Section 48-5-48 has been changed  
308 subsequent to the year of the applicable digest, the more recently adopted amount per  
309 exemption shall be used for the product calculated in this paragraph;

310 (3) The product of the estimated number of persons age 65 or older residing in the local  
311 school system during that year multiplied by 5,000;

312 (4) The product which results from the following calculations:

313 (A) Subtract the estimated state-wide percentage that persons age 65 or older is of the  
314 total population, excluding military personnel and institutional population, from the  
315 respective percentage for the local school system. If the respective percentage for the  
316 local school system is less than the state-wide percentage, a difference of zero shall be  
317 used in the calculations in this paragraph;

318 (B) Multiply the difference which results from subparagraph (A) of this paragraph by  
319 1,000; and

320 (C) Multiply the product which results from subparagraph (B) of this paragraph by the  
321 estimated number of persons age 65 or older residing in the local school system during  
322 that year; and

323 (5) The product which results from the following calculations:

324 (A) Divide the amount reported in paragraph (4) of subsection (e) of this Code section  
325 by the average ratio of assessed value to true value used to calculate the most recent  
326 equalized adjusted school property tax digest pursuant to Code Section 48-5-274; and

327 (B) Multiply the quotient which results from subparagraph (A) of this paragraph by .4;

328 (6) The difference between the assessed value and the net taxable assessed value of all  
329 properties for which an exemption pursuant to Code Section 48-5-44.2 was granted for  
330 that year; and

331 (7) The difference between the assessed value and the net taxable assessed value of all  
332 properties for which an exemption authorized pursuant to a local constitutional  
333 amendment or Article VII, Section II, Paragraph II(a) of the Constitution was granted in  
334 that year."

335

### SECTION 3-2.

336 Said part is further amended in paragraph (5) of subsection (a) of Code Section 20-2-167,  
337 relating to funding for direct instructional, media center, and staff development costs,  
338 computerized uniform budget and accounting system, submission of local budget to state  
339 board, and provision of certain information by local boards, by striking "15 percent" and  
340 replacing it with "25 percent".

**PART IV**  
**SECTION 4-1.**

343 Title 21 of the Official Code of Georgia Annotated, relating to elections, is amended in  
344 subsection (c) of Code Section 21-2-540, relating to conduct and timing of special primaries  
345 and special elections generally, by revising paragraph (2) and adding a new paragraph to read  
346 as follows:

347 "(2) Notwithstanding any other provision of law to the contrary and except as otherwise  
348 provided in paragraph (2.1) of this subsection, a special election to present a question to  
349 the voters shall be held only on one of the following dates which is at least 29 days after  
350 the date of the call for the special election:

351 (A) In odd-numbered years, any such special election shall only be held on the third  
352 Tuesday in March or on the Tuesday after the first Monday in November; and

353 (B) In even-numbered years, any such special election shall only be held on:

354 (i) The date of and in conjunction with the presidential preference primary if one is  
355 held that year;

356 ~~(ii) The third Tuesday in March; provided, however, that such special election shall~~  
357 ~~occur prior to July 1, 2024, and present a question to the voters on sales and use taxes~~  
358 ~~authorized by Articles 5, 5A, and 5B of Chapter 8 of Title 48;~~

359 ~~(iii)~~(ii) The date of the general primary; or

360 ~~(iv)~~(iii) The Tuesday after the first Monday in November.

361 (2.1) Notwithstanding any other provision of law to the contrary, a special election to  
362 present a question or other measure to the voters relating to an increase in revenue by  
363 a local governing authority, including a question or measure that could result in an  
364 increase in taxes shall be held only:

365 (A) In odd-numbered years, on:

366 (i) The third Tuesday in March; or

- 367 (ii) The Tuesday after the first Monday in November; and  
 368 (B) In even-numbered years, on:  
 369 (i) The date of the general primary; or  
 370 (ii) The Tuesday after the first Monday in November."

371 **PART V**  
 372 **SECTION 5-1.**

373 Said chapter is further amended in Code Section 48-5-44.2, relating to base year homestead  
 374 exemption, by repealing subsections (h) and (i), revising paragraphs (2), (3), and (7) of  
 375 subsection (a), and revising subsections (d) and (e) as follows:

376 "(2) 'Adjusted base year assessed value' means the sum of:

- 377 (A) The previous adjusted base year assessed value;  
 378 (B) An amount equal to the difference between the current year assessed value of the  
 379 homestead and the base year assessed value of the homestead, provided that such  
 380 amount shall not exceed the total of the previous adjusted base year assessed value of  
 381 the homestead multiplied by the inflation rate for the prior year; and  
 382 (C) The value of any substantial property change, provided that no ~~such value added~~  
 383 ~~improvements to the homestead~~ substantial property change shall be duplicated as to  
 384 the same addition, ~~or improvement, or removal of real property.~~

385 (3) 'Base year assessed value' means:

- 386 (A) With respect to an exemption under this Code section which is first granted to a  
 387 person on such person's homestead for the 2025 taxable year, the assessed value for  
 388 taxable year 2024, including any final determination of value on appeal pursuant to  
 389 Code Section 48-5-311, of the homestead after adjustment due to any substantial  
 390 property change which occurred during or after taxable year 2024, provided that no

391 such adjustment shall be duplicated as to the same addition, improvement, or removal  
392 of real property; or

393 (B) In all other cases, the assessed value, including any final determination of value on  
394 appeal pursuant to Code Section 48-5-311, of the homestead from the taxable year  
395 immediately preceding the taxable year in which the exemption under this Code section  
396 is first granted to the applicant for such homestead after adjustment due to any  
397 substantial property change which occurred during or after the taxable year used to  
398 establish the base year assessed value for that homestead, provided that no such  
399 adjustment shall be duplicated as to the same addition, improvement, or removal of real  
400 property."

401 "(7) 'Substantial property change' means any increase or decrease in the assessed value  
402 of a homestead derived from additions or improvements to, or the removal of real  
403 property from, the homestead which occurred during or after the year in which used to  
404 establish the base year assessed value ~~is determined~~ for the homestead. The assessed  
405 value of the substantial property changes shall be established following any final  
406 determination of value on appeal pursuant to Code Section 48-5-311."

407 "(d) No person shall receive the exemption granted by subsection (b) of this Code section  
408 unless such person or person's agent files an application with the tax receiver or tax  
409 commissioner of his or her respective local government or governments charged with the  
410 duty of receiving returns of property for taxation, giving such information relative to  
411 receiving such exemption as will enable such tax receiver or tax commissioner to make a  
412 determination regarding the initial and continuing eligibility of such person for such  
413 exemption; provided, however, that any person who had previously applied for a  
414 homestead exemption, was allowed such homestead exemption for the ~~2024~~ immediately  
415 preceding tax year, and remains eligible for a homestead exemption for that same  
416 homestead property in the ~~2025~~ current tax year shall be automatically allowed the  
417 exemption granted under subsection (b) of this Code section for that homestead without

418 further application. Such tax receiver or tax commissioner shall provide application forms  
419 for this purpose.

420 (e)(1) The exemption granted by subsection (b) or (c) of this Code section shall be  
421 claimed and returned as provided in Code Section 48-5-50.1. Such exemption shall be  
422 automatically renewed from year to year so long as the owner occupies the residence as  
423 a homestead. After a person or a person's agent has filed the proper application or is  
424 automatically granted the homestead exemption as provided in subsection (d) of this  
425 Code section, it shall not be necessary for such person or such person's surviving spouse  
426 to make application thereafter for any year, and the exemption shall continue to be  
427 allowed to such person or such person's surviving spouse. It shall be the duty of any  
428 person granted the homestead exemption under subsection (b) or (c) of this Code section  
429 to notify the tax receiver or tax commissioner of the local government or governments  
430 in the event such person for any reason becomes ineligible for such exemption.

431 (2) In the event that an applicant becomes ineligible for the homestead exemption  
432 granted under subsection (b) or (c) of this Code section with respect to a particular  
433 homestead property and, thereafter, the applicant becomes eligible and applies for the  
434 homestead exemption on such property, the base year assessed value for such homestead  
435 shall be calculated in accordance with subparagraph (a)(3)(B) of this Code section as if  
436 the applicant were a new applicant who had not been previously granted an exemption  
437 under this Code section for such homestead."

438 **SECTION 5-2.**

439 Said chapter is further amended by revising Code Section 48-5-302, relating to time for  
440 completion of revision and assessment of returns and submission of completed digest to  
441 commissioner, as follows:

442 "48-5-302.

443 Each county board of tax assessors, each municipal official responsible for collecting  
444 municipal ad valorem property taxes, and each school official responsible for collecting ad  
445 valorem property taxes for a local school system shall complete its revision and assessment  
446 of the returns of taxpayers in its respective county jurisdiction by July 15 of each year,  
447 except that, in all counties jurisdictions providing for the collection and payment of ad  
448 valorem taxes in installments, such date shall be June 1 of each year. The tax receiver or  
449 tax commissioner shall then immediately forward one copy of the completed digest to the  
450 commissioner for examination and approval."

451

### SECTION 5-3.

452 Said chapter is further amended by revising Code Section 48-5-303, relating to correction of  
453 mistakes in county tax digests and notification of correction, as follows:

454 "48-5-303.

455 (a)(1) The county board of tax assessors shall have authority to correct factual errors in  
456 the tax digest when discovered within three years and when such corrections are of  
457 benefit to the taxpayer. Such corrections, after approval of the county board of tax  
458 assessors, shall be communicated to the taxpayer and notice shall be provided to the tax  
459 commissioner.

460 (2) If the county board of tax assessors discovers a factual error in the tax digest which  
461 is not of benefit to the taxpayer and which relates to an improperly or mistakenly applied  
462 homestead exemption that was not due to any intentional misrepresentation or fraudulent  
463 act on the part of the taxpayer, the tax receiver or tax commissioner shall be prohibited  
464 from retroactively assessing the taxpayer the difference in ad valorem taxes actually paid  
465 by the taxpayer and the amount of ad valorem taxes that would have been assessed on the  
466 taxpayer but for the improperly or mistakenly applied homestead exemption.

467 (b) If a tax receiver or tax commissioner makes a mistake in the digest which is not  
468 corrected by the county board of tax assessors or county board of equalization, the  
469 commissioner, with the sanction of the Governor, shall correct the mistake by making the  
470 necessary entries in the digest furnished the commissioner. The commissioner shall notify  
471 the county governing authority and the tax collector of the county from which the digest  
472 comes of the mistake and correction."

473

**PART VI**

474

**SECTION 6-1.**

475 This Act shall become effective upon its approval by the Governor or upon its becoming law  
476 without such approval.

477

**SECTION 6-2.**

478 All laws and parts of laws in conflict with this Act are repealed.